

Message Text

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64

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 SPC-03

STR-08 TRSE-00 LAB-06 SIL-01 OMB-01 SS-20 NSC-10 L-03

H-03 PA-04 PRS-01 USIA-15 DRC-01 /164 W

----- 128258

R 301745Z NOV 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6102

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS EC BRUSSELS 6053

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: EC COMMISSION AUTHORITY FOR MTN

REF: STATE 223671

1. THE COMMISSION STAFF HAS FURNISHED THE FOLLOWING
INFORMATION TO THE MISSION AFTER CONSULTATION WITH ITS
LEGAL ADVISORS.

2. LEGAL POWER FOR THE COMMUNITIES TO OPEN AND CONDUCT
NEGOTIATIONS AND TO PUT INTO EFFECT AGREEMENTS IS
GOVERNED BY ARTICLES 113, 114 AND 228 OF THE TREATY
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OF ROME ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY (EEC).

3. ARTICLE 113 STATES THAT IN NEGOTIATIONS WITH THIRD COUNTRIES THE COMMISSION SHALL MAKE RECOMMENDATIONS TO THE COUNCIL WHICH WILL AUTHORIZE THE COMMISSION TO OPEN THE NEGOTIATIONS. IN THE PAST, HOWEVER, THE COMMISSION HAS SOMETIMES OPENED NEGOTIATIONS WITHOUT HAVING FIRST GOTTEN SPECIFIC AUTHORIZATION FROM THE COUNCIL, SINCE PRECEDENCE HAS PERMITTED A RATHER WIDE INTERPRETATION OF PARA 3 OF ARTICLE 113. WE UNDERSTAND THAT COUNCIL APPROVAL OF THE COMMUNITY'S TRADE OVERVIEW AND OF EC ADHERENCE TO THE TOKYO DECLARATION CONSTITUTE THE AUTHORIZATION FOR THE MULTILATERAL TRADE NEGOTIATIONS IN THE SENSE OF ARTICLE 113.

4. THE COMMISSION STRONGLY DISLIKES THE USE OF THE WORD "MANDATE" TO DESCRIBE THESE AUTHORIZATIONS. THE COMMISSION BELIEVES THAT THE WORD "MANDATE" IS AN ACTION WHEREBY A BODY HAVING AUTHORITY TO PERFORM A SPECIFIC TASK DELEGATES THAT AUTHORITY TO AN AGENT. THE COMMISSION BELIEVES THAT THE AUTHORITY TO MAKE RECOMMENDATIONS AND TO NEGOTIATE LIES IN THE COMMISSION AND NOT IN THE COUNCIL. CONSEQUENTLY THE COUNCIL CANNOT GIVE THE COMMISSION A "MANDATE" TO NEGOTIATE. THE COUNCIL CAN, HOWEVER, AUTHORIZE THE COMMISSION TO NEGOTIATE. THIS IS A CONSTITUTIONAL POINT OF NO GREAT MOMENT FOR THE REST OF THE WORLD, BUT THE COMMISSION, IN ITS SPARRING FOR POWER WITH THE COUNCIL, BELIEVES IT IMPORTANT.

5. ARTICLE 113 ALSO STATES THAT DURING THE NEGOTIATIONS THE COUNCIL MAY REPEAT MAY ISSUE DIRECTIVES FOR THE NEGOTIATIONS. THE TREATY DOES NOT REQUIRE THAT THE COUNCIL ISSUE SUCH DIRECTIVES. HOWEVER, BECAUSE OF THE IMPORTANCE OF THE MTN THE COMMISSION PLANS TO SEEK DIRECTIVES DURING THE COURSE OF NEGOTIATIONS, IN ORDER TO BE "CLOSE TO REALITIES" IN ITS POSITIONS. THE COMMISSION HAS IN FACT PREVIOUSLY TOLD US THAT IT WILL SEEK SUCH A DIRECTIVE BEFORE ENTERING THE SUBSTANTIVE PHASE OF THE NEGOTIATIONS.

6. ARTICLE 114 STATES THAT AT THE END OF
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NEGOTIATIONS THE COUNCIL SHALL CONCLUDE AGREEMENTS ON BEHALF OF THE COMMUNITY BY MEANS OF A QUALIFIED MAJORITY VOTE. (FOR ALL PRACTICAL PURPOSES THE QUALIFIED MAJORITY VOTE MUST STILL BE UNANIMOUS AS A RESULT OF THE LUXEMBOURG COMPROMISE IF THE ISSUE IS IMPORTANT ENOUGH TO ONE OF THE MEMBER STATES. HOWEVER, THE LUXEMBOURG COMPROMISE WAS AN AGREEMENT AMONG THE MEMBER STATES OUTSIDE THE FRAMEWORK OF THE COMMUNITY INSTITUTIONS AND NOT FORMALLY

A PART OF THE COMMUNITY LEGAL INSTRUMENTS, I.E.,
THE SIX MEMBER STATES AGREED TO CONTINUE DEBATING EACH
ISSUE IN ORDER TO ACHIEVE UNANIMITY RATHER THAN SUBMITTING
MATTERS OF VITAL INTEREST TO A MEMBER STATE TO A FORMAL
VOTE SUBJECT TO A QUALIFIED MAJORITY. THE COMMISSION DOES
NOT FORMALLY RECOGNIZE THE LUXEMBOURG COMPROMISE.)

7. ARTICLE 228 MAKES BINDING ON MEMBER STATES
AGREEMENTS WHICH HAVE BEEN CONCLUDED IN ACCORDANCE WITH
THE EEC TREATY.

8. NOWHERE IN THIS PROCESS IS IT NECESSARY THAT THERE
BE LEGISLATIVE AUTHORIZATION, RATIFICATION OR
CONCURRENCE. (ONE EXCEPTION WOULD BE FOR
AGREEMENTS ON NTB'S BEYOND THE COMPETENCE OF THE
EUROPEAN COMMUNITY. SHOULD THE COMMUNITY CONCLUDE
SUCH AGREEMENTS, THE SEPARATE MEMBER STATES WOULD HAVE
TO RATIFY THESE AGREEMENTS.) ARTICLE 228 DOES
REQUIRE THAT PRIOR TO CONCLUDING AGREEMENTS THE COUNCIL
CONSULT THE EUROPEAN PARLIAMENT WHERE REQUIRED BY
THE EEC TREATY, BUT THE COUNCIL NEED NOT HEED THE
PARLIAMENT.

9. COMMENT. THE ABOVE IS A DESCRIPTION OF THE
FORMAL CONSTITUTIONAL PROCEDURE FOR
COMMUNITY NEGOTIATION AND IMPLEMENTATION OF TRADE
AGREEMENTS. HOWEVER, THE ACTUAL FACT IS THAT FOR THE
MULTILATERAL TRADE NEGOTIATIONS, THE COMMISSION WILL
NEGOTIATE UNDER VERY CAREFUL SUPERVISION OF THE MEMBER
STATES. AT EACH STAGE THE COMMISSION WILL SEEK AN
UNDERSTANDING FROM THE COUNCIL ON WHAT IT MAY DO. WHILE
THE COMMISSION HAS SCOPE TO ENGAGE IN INFORMAL EXPLORA-
TIONS WITH THIRD COUNTRIES, IT WILL ADOPT ONLY
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THOSE NEGOTIATING POSITIONS ON WHICH MEMBER STATE
UNANIMITY IS POSSIBLE. GREENWALD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, LEGISLATORS, MINISTERIAL MEETINGS, COMMITTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU06053
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973113/aaaaabwn.tel
Line Count: 156
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 223671
Review Action: RELEASED, APPROVED
Review Authority: worrelsw
Review Comment: n/a
Review Content Flags:
Review Date: 21 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21-Aug-2001 by maustmc>; APPROVED <15 MAR 2002 by worrelsw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC COMMISSION AUTHORITY FOR MTN
TAGS: ETRD, EEC, MTN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005